FY 2009 Capital Budget TPS Report 48098

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Southeast Conference Federal Tax ID: 92-0089028

Project Title:

Southeast Conference - Energy Program

State Funding Requested: \$ 100,000 House District: Southeast Region (1-5)

One-Time Need

Brief Project Description:

Southeast Conference has several energy projects throughout Southeast Alaska. In 2002 they hired a full time energy coordinator to facilitate those projects. The funding requested will fund that position for one year.

Funding Plan:

Total Cost of Project: \$100,000

<u>Funding Secured</u> <u>Other Pending Requests</u> <u>Anticipated Future Need</u>

Amount FY Amount FY Amount FY

There is no other funding needed

Detailed Project Description and Justification:

Southeast Conference continues to play a major roll in the development of the Southeast Alaska Intertie Project. Many of the communities in Southeast Alaska face electricity rates that are four to five times higher than those who are able to use hydro power. This creates a significant obstacle to community and economic development. Our smaller communities are seeing a huge loss of people due to the high cost of living. Where it is possible to reduce energy costs in the rural areas, all avenues must be explored.

To that end Southeast Conference has assisted in gaining funding for several intertie and hydro projects all over the region. To facilitate these projects and assist communities in energy plans, Southeast Conference would like to maintain their Energy Coordinator Position. This is a full time position which will work with communities, the state and federal governments and other granting agencies to see these energy projects to completion.

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Project Timeline:

Funding will be secured in the summer of 2008 with expenditures beginning immediately.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Southeast Conference

For use by Co-chair Staff Only:

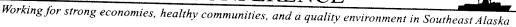
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Grant Recipient Contact Information:
Contact Name: Shelly Wright, Executive Director
Phone Number: 907-523-2310
Address: P.O. Box 21989, Juneau, AK 99802
Email: shellyw@seconference.org

Has this project been through a public review process at the local level and is it a community priority? X Yes No

Contact Name: Kaci Schroeder Hotch Contact Number: 465-3306 For use by Co-chair Staff Only:
4:04 PM 4/29/2008

SOUTHEAST CONFERENCE



March 21, 2008

The Honorable Representative Bill Thomas Alaska State Capitol Building Juneau, Alaska 99811

RE: Support for Southeast Conference Energy Coordinator Position

Dear Representative Thomas:

As you are aware, Southeast Conference has played and continues to play a major role in the development of the Southeast Alaska Intertie Project. This is a major regional infrastructure project and substantial progress has been made over the past few years. Through our organization and committees we've brought the Southeast Alaska utilities, communities and power suppliers together to create a plan to secure the electric energy future of Southeast Alaska.

Some of our communities face electricity bills that are 4-5 times higher than communities which have plentiful electricity produced by hydro power. This creates a significant obstacle to economic development and retention of businesses and households. This program is doubly important at a time there are more people moving out of our region than into it. We're working with these communities finding potential solutions to their energy supply problems. Because of the reduction of fossil-fuel burning our work has significant environmental benefits as well.

Southeast Conference hired a full-time Intertie/Energy Coordinator in late 2002. The coordination of the projects and the progress we have made in Southeast are due, in large part, because of this position. Momentum and continuation of this program is important; we are seeking \$100,000 to fund this program's costs for one year. We ask for your support for our program so we may continue to help our communities in these desperate times.

Your consideration at this critical juncture is very important to us and would add significant value to the energy needs of our region.

Sincerely.

Shelly Wright

Executive Director

CC: Senator Albert Kookesh Senator Bert Stedman

Work plan for the Southeast Conference Energy Coordinator.

The plan for the position is to work closely with the Southeast Conference Board and the Southeast Legislators on where energy development is occurring in the region.

This position is responsible to the Board and the Executive Director for:

- Plans, organizes, directs, supervises, and coordinates the operations and activities of the Southeast Conference Energy Committee;
- Prepares and reviews budgets and monitors expenditures;
- Provides technical and procedural advice to the Energy Committee, the Executive Director and Board of Southeast Conference concerning the Intertie Project and other Southeast Alaska Energy issues;
- Works with federal funding agencies, legislators and the state administration and its agency to seek additional grant opportunities.
- Coordinates and directs long-range planning;
- Works with and assists Southeast Alaskan utilities with the development of renewable generation resources;
- Represents the Southeast Conference on various boards and before Federal and State regulatory agencies related to the Southeast Alaska Intertie Project and other Southeast Alaska Energy issues;
- Travels to Southeast Alaska communities and Washington D.C. to promote and further the goals of the Southeast Alaska Intertie Project and Southeast Alaskan energy issues/concerns

This position will keep the board and the Southeast legislators inform on all energy projects and their plans as well as where they stand interims of funding.

- a. Identify existing, planned and potential hydroelectric resources that have capability of providing power that is surplus to the needs of Southeast Alaska. This would mostly require consolidation of existing reports from State and Federal agencies as well as previous engineering reports completed by Southeast Conference. Preliminary estimates of power production costs from these projects will be a part of this analysis.
- b. Determine under what conditions power could be sold or exchanged in BC, Bonneville or to Lower-48 utilities. This would include an estimate of the pricing of power sold or exchanged to BC or Lower-48 utilities/purchasers. Analyze and determine how Southeast Alaska hydroelectric power fits in to the current markets

- in the Lower 48 considering the unique 'green' quality of the power. Meet with potential power purchasers in the Lower 48, BC Hydro, BC Transmission and other parties critical to the transmission and sale of power from Southeast Alaska to BC or the Lower 48.
- c. Identify any existing regulatory and/or political constraints, including FERC Jurisdiction, with respect to an interconnection from Southeast Alaska to the North American grid and to the sale of power between Alaska to or through British Columbia and the Lower 48.
- d. Provide preliminary construction cost estimates for transmission line options between Southeast Alaska and the BC including the Bradfield corridor.
- e. Estimate the annual costs of operating and maintaining the transmission system to BC and determine wheeling costs for power transmitted through BC to the Lower 48.
- f. Determine ownership options for the interconnection to the Alaska/BC border.
- g. Analyze and determine the potential benefits to the residents and ratepayers of Southeast Alaska. Identify local community/utility issues and develop strategy for addressing potential concerns.
- h. Analyze potential environmental issues and determine if 'fatal flaws' exist.
- I. Identify the 'next steps' necessary to pursue an interconnection to BC.

 The Southeast Conference Energy Committee (formerly Intertie Committee) was Formed.